

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, MARCH 3, 2009**, upon the application of **KCS RESOURCES, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Haynesville Zone, Reservoir A**, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana.

1. To create two (2) additional drilling and production units for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A.
2. To force pool and integrate all of the separately owned tracts, mineral leases and other property interests located within the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate unit wells and unit operators, as appropriate.
4. To provide that future wells drilled to the Haynesville Zone, Reservoir A, within or outside the proposed units, be located no closer than 330 feet to any unit boundary and no closer than 660 feet to any well drilling to, completed in, or for which a permit shall have been granted to the Haynesville Zone, Reservoir A.
5. Should it become necessary, to provide as exceptions to spacing the locations any wells which may be drilled on the proposed units insofar as distance between wells located on offset units may be concerned, provided that such proposed wells are located no closer than 660 feet from wells on offsetting units.
6. To provide that, with respect to horizontal wells drilled to the Haynesville Zone, Reservoir A, in the proposed units, where the horizontal lateral portion of the well is cased and cemented back above the top of the Haynesville Zone, Reservoir A, the distance to any unit boundary will be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus.
7. To define the Haynesville Zone, Reservoir A, AS TO HA RA SU67 and HA RA SU80, as the stratigraphic equivalent of that gas and condensate bearing interval occurring between the depths of 9,720' and 11,690' (electric log measurements) in the KCS Resources, Inc. - Hunt Plywood No. 11 Well located in Section 36, Township 15 North, Range 13 West.
8. To add the Haynesville Zone, Reservoir A, to the downhole combination authority provided for in the Caspiana Field with respect to the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, in any well drilled on the proposed units to the extent the units for all three zones are identical in size, configuration and ownership.
9. To extend to the proposed unit, except as in conflict herewith, the provisions of Office of Conservation Order No. 191-H, effective August 28, 2007, as amended and supplemented by the 191-H Series of Orders.
10. To consider such other matters as may be pertinent.

The Haynesville Zone, Reservoir A, was initially defined in Order No. 191-H, effective August 28, 2007, and has been redefined by subsequent Orders of the 191-H Series of Orders, and is to be further redefined as to HA RA SU67 and HA RA SU80 as stated herein.

A plat is available for inspection in the Office of Conservation in **Baton Rouge and Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, LA

1/27/09;1/30/09

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IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.